

STATINTL

Chief,

9 August 1950

Chief, Supply Branch

Procedure Covering Replenishment of Stock

1. The following system covering establishment of stock levels and replenishment of stock, in categories as specified, supercedes previous instructions relative to this matter.

a. Agency Forms - Standard and CIA

(1) Establishing Stock Levels:

Monthly consumption + 6 months supply = Minimum or reordering level

Minimum + 12 months supply = Maximum

(2) Replenishing Stock: Upon reaching the minimum level a 12 months supply of forms will be ordered. Quantities to be ordered will be rounded off to the nearest thousand, i.e., if a twelve (12) month supply to be ordered equals 12,153, the total quantity to be ordered will be 12,000. CIA forms in excess of 25,000 each and standard forms will, when reordering, be listed on Form No. 36-7, "Request for Supplies, Equipment or Services", and directed to the Management Officer for approval prior to procurement through GPO. CIA forms requiring less than 25,000 each, or in the event of emergency needs, will be listed on Reproduction Requisition, Form No. 36-2, and directed to the Management Officer for approval and rerouted to the Reproduction Branch.

(3) Adjusting Stock Levels: Upon reaching the minimum stock levels an average monthly consumption will be arrived at by dividing the total issues made by the actual months required to effect such issues. The figures arrived at will be the new monthly consumption figures which will be used for adjusting stock levels as prescribed above.

b. Medical and Standard Office Supplies:

(1) Establishing Stock Levels: Stock levels for medical and standard office supplies will be established using the following prescribed method:

Document No. 32
NO CHANGE in Class. ☒
☐ DECLASSIFIED
Class. CHANGED TO: TS S C
DDA Memo. 4 Apr 77
Auth: DDA REG. 77/1763
Date: 05 APR 77

MEDICAL AND STANDARD OFFICE SUPPLIES

STOCK LEVELS

ONE MONTH DELIVERY TIME:

<u>Delivery Time</u> <u>(Months)</u>	<u>x</u>	<u>Monthly</u> <u>Consumption</u>	<u>+</u>	<u>2 Month</u> <u>Consumption</u>	<u>=</u>	<u>Minimum</u>	<u>+</u>	<u>3 Months</u> <u>Supply</u>	<u>-</u>	<u>1 Month</u> <u>Consumption</u>	<u>=</u>	<u>Maximum</u>
1	x	20	+	40	=	60	+	60	-	20	=	100

TWO MONTHS DELIVERY TIME:

<u>Delivery Time</u> <u>(Months)</u>	<u>x</u>	<u>Monthly</u> <u>Consumption</u>	<u>+</u>	<u>2 Month</u> <u>Consumption</u>	<u>=</u>	<u>Minimum</u>	<u>+</u>	<u>3 Months</u> <u>Supply</u>	<u>-</u>	<u>2 Month</u> <u>Consumption</u>	<u>=</u>	<u>Maximum</u>
2	x	20	+	40	=	80	+	60	-	40	=	100

THREE MONTHS DELIVERY TIME:

<u>Delivery Time</u> <u>(Months)</u>	<u>x</u>	<u>Monthly</u> <u>Consumption</u>	<u>+</u>	<u>2 Month</u> <u>Consumption</u>	<u>=</u>	<u>Minimum</u>	<u>+</u>	<u>4 Months</u> <u>Supply</u>	<u>-</u>	<u>3 Month</u> <u>Consumption</u>	<u>=</u>	<u>Maximum</u>
3	x	20	+	40	=	100	+	80	-	60	=	120

FOUR MONTHS DELIVERY TIME:

<u>Delivery Time</u> <u>(Months)</u>	<u>x</u>	<u>Monthly</u> <u>Consumption</u>	<u>+</u>	<u>2 Month</u> <u>Consumption</u>	<u>=</u>	<u>Minimum</u>	<u>+</u>	<u>5 Months</u> <u>Supply</u>	<u>-</u>	<u>4 Month</u> <u>Consumption</u>	<u>=</u>	<u>Maximum</u>
4	x	20	+	40	=	120	+	100	-	80	=	140

(2) Replenishing Stock: Upon arriving at minimum stock levels, the basis for reordering will be the delivery factor. For example

Items requiring 1 or 2 months delivery - order 3 months supply
 Items requiring 3 months delivery - order 4 months supply
 Items requiring 4 months delivery - order 5 months supply

Quantities to be reordered will be rounded off to the nearest tenth, i.e. if the quantity being ordered equals 138, such quantity will be changed to 140. Form No. 36-7 will be used for this purpose and will contain, for each item ordered the following information:

Quantity on Hand
 Quantity on Order
 Minimum
 Maximum
 Monthly Consumption
 Estimated Delivery Time

(3) Adjusting Stock Levels: At the end of each quarter period of the fiscal year, stock levels will be rechecked and adjusted by determining the average monthly consumption during the period. This will be accomplished by dividing the total issues made during the quarter period by the quantity to be reordered. Upon arriving at the new consumption figure, the formula established above will be followed in revising stock levels for the succeeding quarter period. Requisitions for medical supplies will, upon receipt by this office, be routed to the Medical Division for approval prior to procurement action.

c. Special Expendable Supplies (approved for storage by operations activities such as IBM cards (OCD), cards, plastic belt recording reproduction supplies (Reproduction Branch, Services Division):

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(1) Establishing Stock Levels: Stock levels for special items indicated above will be established using the following prescribed method:

SPECIAL ITEMS - SUCH AS IBM CARDS (OCD), ITEMS REQUIRED SPECIFICALLY FOR REPRODUCTION SUPPLIES

FOIAB3B1

STOCK LEVELS

ONE MONTH DELIVERY TIME:

Delivery Time Required (Months)	x	Monthly Consumption	+	6 Months Consumption	=	Minimum Reordering Level	+	Reorder 6 Months Supply	-	Pending receipt of item, one month supply is consumed	=	Maximum
1	x	20	+	120	=	140	+	120	-	20	=	240

TWO MONTH DELIVERY TIME:

Delivery Time Required (Months)	Monthly Consumption	6 Months Consumption	Minimum Reordering Level	Reorder 6 Months Supply	Pending Receipt of item, 1 month supply is consumed	Maximum
2	x 20	+ 120	= 160	+ 120	- 40	= 240

THREE MONTH DELIVERY TIME:

Delivery Time Required (Months)	Monthly Consumption	6 Months Consumption	Minimum Reordering Level	Reorder 6 Months Supply	Pending receipt of item, one month supply is consumed	Maximum
3	x 20	+ 120	= 180	+ 120	- 60	= 240

FOUR MONTH DELIVERY TIME:

Delivery Time Required (Months)	Monthly Consumption	6 Months Consumption	Minimum Reordering Level	Reorder 6 Months Supply	Pending receipt of item, one month supply is consumed	Maximum
4	x 20	+ 120	= 200	+ 120	- 80	= 240

(2) Replenishing stock: Upon reaching the minimum level, a six (6) month supply of each item will be ordered. Quantities to be ordered will be rounded off to the nearest thousandth, i.e. if a six (6) month supply to be ordered equals 120,100 the total quantity to be ordered will be 120,000. Requisition Form No. 36-7 will be used for this purpose and will contain for each item order the following information:

Quantity on Hand
Quantity on Order
Minimum
Maximum
Monthly Consumption
Estimated Delivery Time

(3) Adjusting Stock Levels: Upon reaching the minimum stock level, or in the event of a noted increase in consumption, stock levels will be rechecked and adjusted by determining the monthly consumption for the period involved. Upon arriving at the new consumption figure, the formula established above will be followed in revising stock levels for the succeeding quarterly period.

2. You are advised that appropriate action will be taken by [] to establish stock levels prescribed above. Such procedure will be complied with and will not be changed without the approval of the Chief, Services Division.

APPROVED: 25X1A9A